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Congresswoman Doris Matsui Applauds Multi-agency Crack-down on Loan Modification Scams

Continues to Press Agencies to Mandate Full Disclosure of Financial Terms on New and Existing Home Loans to Consumers

WASHINGTON, D.C. – Rep. Doris Matsui (CA-05) issued the following statement today in response to a joint announcement of the U.S. Department of the Treasury, the U.S. Department of Justice, the Department of Housing and Urban Development, and the Federal Trade Commission's new effort to align responses from federal law enforcement agencies, state investigators and prosecutors, civil enforcement authorities and the private sector to protect America's homeowners:

"I applaud Secretary Geithner and the agencies that are turning their attention to this important issue. As a Member of the House Energy and Commerce Subcommittee on Commerce, Trade, and Consumer Protection, I participated in a hearing on this issue two weeks ago, and called on Secretary Geithner and the Federal Trade Commission to take pro-active, preventative steps toward educating and protecting consumers against rampant fraud and abuse.

"At a time when consumer confidence is low, the government needs to provide oversight and enforcement of malicious individuals who are taking advantage of struggling homeowners. I have heard countless stories of people losing their homes, their jobs, and their way of life. As we all know, the housing crisis has had an unprecedented effect on our economy. The rising unemployment will cause even more Americans to face foreclosure, and there are countless victims of predatory lending that were unknowingly steered into high-cost, bad loans.

“Now, many of these homeowners are seeking assistance in modifying their loans to more affordable loan terms. In some cases, their original loan company is not in business or in other instances, their lenders or servicers are not being responsive, leaving struggling homeowners feeling desperate to save their homes. As a result, many have been tricked into contacting scam artists posing as so-called ‘foreclosure consultants’ or ‘government agencies’ to save their homes.

“These scams are costing thousands of dollars and offering false promises to struggling homeowners. It is clear that consumers are not being properly protected from these shameful, unacceptable practices, and I look forward to working with the Obama Administration to provide greater accountability and oversight to protect American consumers in this time of need.”

For more information about the Commerce, Trade, and Consumer Protection hearing where Congresswoman Matsui spoke on this issue, please visit: <http://tiny.cc/S10ag> or visit <http://tiny.cc/cTvNz> to see the full text of her remarks.

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